COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC

SERVICE COMMISSION OF THE

APPLICATION OF THE FUEL ADJUST
MENT CLAUSE OF BIG RIVERS

ELECTRIC CORPORATION

FROM NOVEMBER 1, 1984,

TO APRIL 30, 1985

)

CASE NO. 9170-A

)

ORDER

Pursuant to 807 KAR 5:056, Section 1(11), the Commission issued its Order on June 25, 1985, scheduling a hearing and requiring Big Rivers Electric Corporation ("Big Rivers") to provide a record of scheduled, actual and forced outages, and a calculation of over- or under-recovery of fuel costs for the 6-month period under review.

Big Rivers provided the data requested by the Commission's Order of June 25, 1985. Big Rivers also filed its monthly fuel adjustment filings for the 6-month period under review. Following proper notice, a hearing was held on August 14, 1985. At the hearing, additional information was requested and on October 4, 1985, an Information Order was issued by the Commission. Big Rivers has supplied all the information requested.

The sole intervenor in this case was the Consumer Protection Division of the Attorney General's Office ("AG"). The AG did not offer testimony and on cross-examination did not challenge the level of actual fuel cost included in Big Rivers' monthly fuel filings.

In its Order issued on May 8, 1985, the Commission fixed Big Rivers' base fuel cost at 14.60 mills per KWH. The Commission's review of Big Rivers' monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 14.42 mills in March 1985 to a high of 15.77 mills in January 1985. The Commission's review of the record in this case, the coal market conditions during this period and the data filed in support of the fuel adjustment clause rates indicate that the actual fuel costs included in the monthly fuel adjustment clause filing were reasonable.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Big Rivers has complied in all material respects with the provisions of 807 KAR 5:056.

IT IS THEREFORE ORDERED that the charges collected by Big Rivers through the fuel adjustment clause for the period November 1, 1984, through April 30, 1985, be and they hereby are approved.

Done at Frankfort, Kentucky, this 29th day of October, 1985.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary